

**Exhibit 7**

**Debtors' Letter Submitted to the Court on September 20, 2023**

**Rivero, Devin**

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**From:** Bass, David <DBass@coleschotz.com>  
**Sent:** Wednesday, September 20, 2023 2:30 PM  
**To:** chambers\_of\_VFP@njb.uscourts.gov; chambers\_of\_mbk@njb.uscourts.gov  
**Cc:** Rebecca Earl; Juan Filgueiras; Pesce, Gregory; Hershey, Samuel; Baccash, Laura; Rivero, Devin; Kenneth Rosen (krosen@lowenstein.com); (mseymour@lowenstein.com); Phil, Gross; LeHane Robert L; Gyves, William; Elliott, Kristin; Weintraub, Philip A.; Geier, Emily; Fiedler, Ross J.; Usatine, Warren; rmalone@gibbonslaw.com  
**Subject:** Bed Bath & Beyond, Inc., Case No. 23-13359 [IWOV-CSDOCS.FID2477406]

Dear Judges Papalia and Kaplan –

We are writing to provide the Court with an update regarding the assignment of the Debtors' lease in Rogers Arkansas to Michaels Stores and for the reasons that follow request that the Court hold a telephonic/zoom status conference before considering the entry of any order regarding the assignment to Michaels Stores.

As the Court is aware, the parties sought to negotiate a proposed form of Order regarding the assignment of the lease to Michaels Stores. And while the Debtors and Michaels Stores were in agreement on that form of Order, as Michael Stores recently advised the Court, the parties, which includes the landlord, were unable to reach agreement on that form. Following that impasse, Michaels Stores determined to submit a proposed form of Order this past Friday (September 15th) for the Court's consideration, which was followed later that day by the landlord's indication that it would be submitting a competing form of Order within the timeframe permitted by Local Rule 9013-4, i.e., within 7 days, which we would expect will be submitted to Chambers at some point later this week. In addition, we understand that the landlord is preparing to take action that would have the effect of delaying the closing and the Debtors' ability to close on the assignment, e.g., a motion to stay judgment pending appeal and potentially other adverse actions.

Circumstances have changed since the Court's ruling that dictated the Debtors' pause in joining the submission of the proposed form of Order with Michaels Stores. In the days immediately preceding Michaels Stores' submission of the proposed form of Order, the Debtors received an unsolicited alternative offer for the lease from an existing tenant in the shopping center, Hobby Lobby, which far exceeds the consideration included within the assumption and assignment agreement from Michaels Stores. That offer is for \$1.7 million, or nearly \$1 million more than the consideration set out in the assumption and assignment agreement with Michaels Stores.

While the consideration in the alternative bid is obviously significantly higher than the consideration in the Michaels Stores agreement, it also bears noting that the alternative bid received, albeit after the Court's ruling, would resolve the appellate and other related risks associated with the Michaels Stores' assignment. It goes without saying, of course, that the Debtors have a fiduciary duty to maximize value for the Debtors' estate. Accordingly, and while the Debtors do not take this position lightly, the Debtors are compelled to consider proceeding with this alternative bid.

Rather than take any unilateral action, and in recognition of the Court's previous ruling and all parties' efforts to this point, the Debtors believe that the best path forward is to schedule a status conference at the Court's earliest convenience to give all parties an opportunity to respond and be heard on this issue.

Respectfully,

David M. Bass



**DAVID BASS**

**MEMBER**

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